



26/31

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

JUN 28 1989

Docket No. 40-7580
License No. SMB-911
Amendment No. 9

Fansteel, Inc.
ATTN: Mr. M. J. Mocniak
General Counsel
Number 1 Tantalum Place
North Chicago, Illinois 60064

Gentlemen:

In accordance with your application dated June 21, 1989, and pursuant to Title 10, Code of Federal Regulations, Part 40, Materials License No. SMB-911 is hereby amended to authorize the alternative method of slurry processing described in the enclosures to the application, in the form of revisions to your "Information in Support of Fansteel Application for Source Material License," dated May 5, 1980, and your Radiation Safety Manual, dated January 1980.

All other conditions of the license shall remain the same.

Please note that authorization of this alternative method of slurry processing, which involves the storage in drums of residues containing uranium and thorium compounds, does not relieve you from compliance with other Federal and State requirements that might be applicable. Furthermore, we understand that, based on your June 21, 1989, letter containing information on the capability of your lime neutralization system, you plan to make adjustments for additional neutralization processing and to reduce the generation of other process waste water. These actions are designed to expedite removal of liquid from Pond 3 in order that corrective actions can be taken to return to the original method of slurry processing. Also, note that additional radiation monitoring and surveillance may be appropriate in connection with the alternate method of slurry processing.

With respect to your letter of June 21 referenced above, please be advised that we accept this information in response to Item 7 of the Confirmation of Action Letter sent to you on June 21, 1989, by Mr. Robert D. Martin, Regional Administrator of our Region IV Office.



195728

27/31

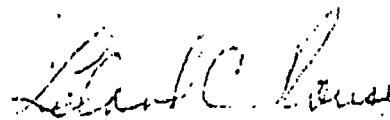
Fansteel, Inc.

2

JUN 23 1989

A copy of the Safety Evaluation Report, prepared in support of this amendment, and a determination of eligibility for categorical exclusion from preparing an environmental assessment, are enclosed.

FOR THE NUCLEAR REGULATORY COMMISSION



Leland C. Rouse, Chief
Fuel Cycle Safety Branch
Division of Industrial and
Medical Nuclear Safety

Enclosures:

1. Safety Evaluation Report
2. Categorical Exclusion

cc: Mr. T. S. Carlisle, Jr.
General Manager
Fansteel Metals
10 Tantalum Place
Muskogee, Oklahoma 74401